

Proposed new Medicaid rules/Impact on Alabama:

- **Cost Limit for Providers Operated by Units of Government** — Limits reimbursement for government providers to cost; narrows the definition of a unit of government, requires providers to retain all Medicaid payments. (*\$375 million loss*)
- **Targeted Case Management** — Excludes the "direct delivery" of underlying medical, educational or social services, excluding any services related to the transportation or escorting of an individual to the service, shortens the previous transitional assistance period from 180 days to 60 days. (*\$50.8 million loss to state agencies*)
- **Rehabilitation (Rehab) Service Option** — Restricts the scope of rehabilitation services that are eligible for federal matching payments, eliminates coverage for day habilitation services for people with developmental disabilities. (*\$138 million loss to state agencies*)
- **Graduate Medical Education** — Eliminates Medicaid reimbursement for graduate medical education. (*\$1 million loss*)
- **Administrative Claiming/School-Based Services** — Prohibits Medicaid payments for school-based administrative activities, including outreach, enrollment and support in gaining access to Early and Periodic Screening, Diagnostic, and Treatment services, performed by schools and transportation of school-age children to and from school. (*\$12 million to Alabama local school systems*)
- **Medicaid Outpatient Hospital Services Definition and Upper Payment Limit** — Restricts the scope of Medicaid outpatient hospital services and clarifies the outpatient upper payment calculation. (*Impact unknown at this time*)
- **Allowable Provider Tax** — Implements the Tax Relief and Health Care Act of 2006, which reduces the threshold from 6 percent to 5.5 percent of revenues. (*No impact on AL*)